

60th Annual Report
2005-2006

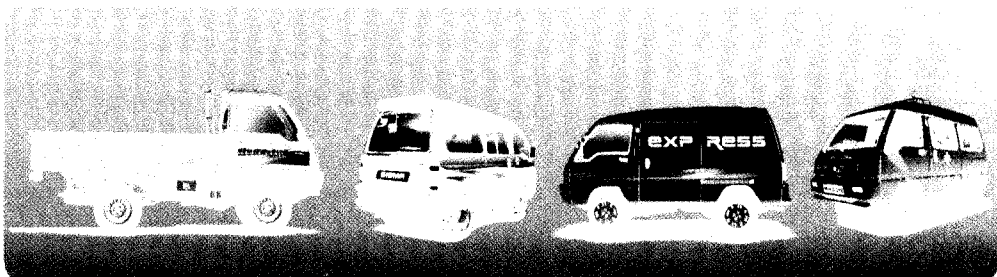


PREMIER LTD.





PREMIER



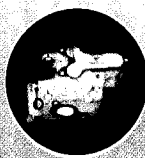
RANGE OF LIGHT COMMERCIAL VEHICLES



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PREMIER LTD.

(Formerly The Premier Automobiles Ltd.)

BOARD OF DIRECTORS**VINOD L. DOSHI***Chairman***ARVIND R. DOSHI***Vice Chairman***MAITREYA V. DOSHI***Managing Director***SHARAYU DAFTARY [SMT.]****JAGDISH KHANNA****S. PADMANABHAN****ASIT D. JAVERI***Compliance Officer***RAMESH M. TAVHARE***General Manager (Legal) & Company Secretary***60th ANNUAL GENERAL MEETING****Day & Date**Friday,
August 11, 2006.**Venue**Registered Office,
Mumbai - Pune Road,
Chinchwad, Pune - 411 019.**Time**

12:00 noon

REGISTERED OFFICE & WORKSMumbai - Pune Road,
Chinchwad,
Pune - 411 019.**STATUTORY AUDITORS**K.S. Aiyar & Co.
Chartered Accountants**SOLICITORS**M/s. Amarchand & Mangaldas &
Suresh A. Shroff & Co.
M/s. Kanga & Co.
M/s. AZB & Partners**REGISTRAR & TRANSFER AGENTS**Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
Lal Bahadur Shastri Marg
Bhandup (West), Mumbai - 400 078
Ph No. (022) 2596 3838
Fax No. (022) 2594 6969
Email: isrl@intimespectrum.com**CONTENTS**

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NOTICE

NOTICE is hereby given that the SIXTIETH ANNUAL GENERAL MEETING of the members of the Premier Limited will be held on Friday, the 11th August, 2006 at 12.00 noon at the Registered Office of the Company at Mumbai-Pune Road, Chinchwad, Pune -- 411 019, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the year ended on that date along with the reports of the Auditors and the Board of Directors.
2. To declare dividend for the year ended 31st March, 2006.
3. To appoint a director, in place of Shri Jagdish K. Khanna who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director, in place of Shri S. Padmanabhan who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit to pass the following resolution as a Ordinary Resolution: "RESOLVED THAT M/s K.S. Aiyar & Co., Chartered Accountants be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax and out-of-pocket and/or travelling expenses as may be determined by the Board of Directors on the recommendation of the Audit Committee of the Board."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT Article 198 of the Articles of Association of the Company, be and is hereby amended to read as under:

198) The Seal how to be affixed

Every deed or other instrument to which the seal of the Company is to be affixed shall be sealed in the presence of any one Director, including the Managing/Whole-time Director or a person acting on behalf of Directors duly authorized by the Board of Directors and the Secretary or some other person appointed by the Board in that behalf who shall all sign the same.



Save that the Directors shall as regards affixing the seal on Share/Debenture Certificates comply with the provisions of the Rules issued in that behalf under the Act."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the Company be and is hereby accorded to the revised terms of remuneration payable to Shri Maitreya V. Doshi, Managing Director, during the current tenure of his appointment with effect from 1st February, 2006 to 28th March, 2008, as set out in the explanatory statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in sections 198 and 309 read with Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Shri Maitreya V. Doshi."

By Order of the Board,

Ramesh M. Tavhare
General Manager (Legal) &
Company Secretary

Registered Office:

Mumbai-Pune Road
Chinchwad
Pune - 411 019.

June 22, 2006

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NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing a proxy and the power of attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.

- 2) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos.6 and 7 set out above is annexed hereto.
- 3) The Register of Members and Share Transfer Books will remain closed from Tuesday, the 1st August, 2006 to Friday, the 11th August, 2006 (both days inclusive) for payment of dividend on equity shares.
- 4) If the dividend, as recommended by the Board of Directors is declared at the ensuing Annual General Meeting, then the payment of such dividend will be made to those shareholders whose name appear in the Register of Members of the Company as on Friday, the 11th August, 2006.

In respect of the shares held in electronic form (dematerialized mode), the dividend will be payable on the basis of the details of beneficial ownership furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as at the end of business hours on Monday, the 31st July, 2006.

- 5) If members holding shares in physical form, wish to receive dividend through Electronic Clearing Services (ECS), kindly provide your bank account details along with photocopy of the cancelled cheque bearing the 9-Digit MICR code number of the bank where the account is held to our Registrar and Transfer Agents, Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078, so that dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in you locality.
- 6) Members holding shares in dematerialized form are advised to inform their bank account details/confirm correctness of such details already provided to their respective Depository Participants along with the 9-Digit MICR code number of the bank where the account is held so that the dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
- 7) i) Members/Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting.



- ii) Members holding shares in physical form, may write to the Company's Registrar & Transfer Agents for any change in their address and bank mandates and members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their contact address.
 - iii) Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078.
 - iv) Corporate members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 8) Consequent to the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund

Details of dividend declared from the year 1997-98 onwards are given below:

Financial Year	Declared on	Dividend %	Amount of dividend per share (Rs.)
01-10-1997 to 30-09-1998	15-06-1999	10	1.00
01-04-2004 to 31-03-2005	29-07-2005	15	1.50

Members who have not encashed the dividend warrants for the above years are requested to write to the Company giving the necessary details

- 9) At this Annual General Meeting Shri Jagdish K. Khanna and Shri S. Padmanabhan, retire by rotation, and being eligible, offer themselves for reappointment.

The brief background and functional experience of the directors proposed for reappointment, are given below along with the details of the companies in which they are directors and committees of which they are members.

- (i) Shri Jagdish K. Khanna is aged 70 years. He is fellow member of the Institute of Chartered Accountants of India. He is senior partner of R.K.J.K. Khanna & Company, Chartered Accountants. He has varied experience in handling direct taxes, audit of accounts of large number of clients and finance. He is also Chairman of the Audit Committee of the Company.

Shri Khanna is the supporter of various humanitarian causes. He is the President of Women's Institute of Social Education, Mumbai and Vice President of Save the Children Trust, Mumbai, which runs Balwadies, teaching about 4,000 under-privileged children, a full-fledged hospital in Usmanabad and school for handicapped children in Mumbai. He has been honoured with the highest award given by Rotary Foundation of Rotary

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International for service to humanity.

The details of other directorships, Committee Membership held by him are:

DIRECTORSHIP	COMMITTEE MEMBERSHIP
Khanna Corporate Services Pvt. Ltd.	-
Tooltech Software India Pvt. Ltd.	-
Tooltech Europe Oy	-
JKK Global Accounting Services Pvt. Ltd.	-

Shri. Jagdish Khanna is not holding any equity shares in the Company.

- (ii) Shri S. Padmanabhan is aged 66 years. He is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. He has diploma in Development Economics from University of Cambridge, U.K. and Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. He was in the Maharashtra Cadre of the I.A.S. during which tenure he held various positions in the Government of Maharashtra, including the post of Director, Tourism, Managing Director of SICOM, Commissioner, Aurangabad Division etc. He has worked as Corporate Advisor to Bharat Forge Limited and later as Advisor to Deepak Fertilizers and Walchandnagar Industries Limited. During the last 14 years he has been Consultant in the Videocon Group of Companies. He has wide experience in industrial projects, finance and administration.

The details of other directorships, committee membership held by him are-

DIRECTORSHIP	COMMITTEE MEMBERSHIP
Videocon Industries Ltd.	Audit Committee
Applicomp (India) Ltd.	-
Videocon Appliances Ltd.	-
Videocon Power Ltd.	-
Videocon Communications Ltd.	-
Sudarshan Chemicals Industries Ltd.	-
Kitchen Appliances (India) Ltd. – Chairman	-
Asian Electronics Ltd.	Audit Committee
Desai Brothers Ltd.	-
Goa Energy Pvt. Ltd.	-
Aquapharm Chemicals Pvt. Ltd.	-
Rajkumar Forge Ltd. (Chairman)	Audit Committee Remuneration Committee

Shri S. Padmanabhan is not holding any equity shares in the Company.

EXPLANATORY STATEMENT

AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM: 6

The existing Article 198 of the Articles of Association of the Company regarding affixation of the Common Seal on any documents provides that the Common Seal shall be affixed in the presence of any one Director, including the Managing/Whole-time Director and the Secretary or some other person appointed by the Board in that behalf who shall sign the same.

The Company is required to execute various documents under the Common Seal from time to time with due authority of the Board of Directors. As per existing provision of the Article, the Common Seal can be affixed in the presence of any one Director and the Company Secretary. Sometimes, it becomes difficult for the Directors to be physically present to affix the Common Seal. To avoid such difficulties, the Board of Directors propose to amend the Article 198 of the Articles of Association of the Company, authorizing the Board to authorize any other person on behalf of the Board for the purpose of affixation of Common Seal.

The Board recommends the passing of the Special Resolution as set out in Item No.6 of the accompanied notice. None of the Directors are concerned or interested in the resolution.

ITEM: 7

Shri. Maitreya V. Doshi was appointed as Managing Director of the Company for a period of five years from 29th March, 2003 to 28th March, 2008. In view of the fact that, the Company has achieved a financial turnaround and has started making operational profits coupled with the onerous responsibilities and considering continuing challenge on the Managing Director, the Board of Directors in its meeting held on 31st January, 2006 and vide further Circular Resolution dated 13th March, 2006 has, subject to the approval of the shareholders, proposed to increase his remuneration with effect from 1st February, 2006 from Rs.18 Lakhs per annum plus perquisites to Rs.36 Lakhs per annum plus perquisites with the overall ceiling of Rs.84 Lakhs per annum plus perquisites.

Shri. Maitreya Doshi, aged 43 years, is an MBA from IMEDE (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company from 1984 and became Executive/Managing Director from March-1993. He is the member of the Management Committee/Council of the Young Presidents' Organization [YPO], Mumbai. He held positions of Member – Governing Council of Automotive Research Institute of India [1995-2001] and Member – Executive Committee of Association of Indian Automobiles Manufacturers [1995-2000]. He was also a member, Western Regional Council, Confederation of Indian Industries (CII), Chairman, Marketing Sub-committee, CII, and Member, Family Business Sub-committee, CII.

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The details of the proposed remuneration are as under:

- 1) **Salary** : Rs.22,00,000/- per annum
- 2) **Perquisites** : Rs.14,00,000/- per annum

Perquisites consist of: -

- **Housing:** The Company shall provide furnished accommodation to the Managing Director. In case no accommodation is provided by the Company, he shall be entitled to house rent allowance. He shall also be entitled to house maintenance allowance together with utilities therefor such as gas, electricity, water, furniture, furnishings and repairs.
- **Medical:** Reimbursement of medical expenses incurred for self and family, subject to the ceiling of one month's salary per year.
- **Club fees:** Fees of two clubs
- **Medical Accident Insurance:** Hospitalization and Domiciliary Hospitalization Benefit Policy and Personal Accident Insurance.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules.

'Family' means the spouse, dependant children and dependant parents.

- 3) In addition to above perquisites, Managing Director shall also be entitled to the following benefits. These benefits will not be included in the computation of ceiling on perquisites:

Company's contribution towards Provident Fund and Superannuation or Annuity Fund	As per rules of the Company.
Gratuity	Gratuity at a rate not exceeding half a month's salary for each completed year of service.
Earned Privilege Leave	As per rules of the Company
Encashment of leave	Leave accumulated but not availed of during the tenure, will be allowed to be encashed.
Car	Provision of Company's car with driver.
Telephone	Free telephone facility at residence.

- 4) In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid the remuneration, perquisites and the benefits mentioned above.